



**Representative Louise M. Slaughter**  
**Chairwoman, House Committee on Rules**  
**Representing New York's 28<sup>th</sup> District**

# **PRESS RELEASE**

**FOR IMMEDIATE      RELEASE**

Thursday, March 5, 2009

## **Rep. Slaughter Applauds Passage of**

## **Helping Families Save Their Homes Act**

*Over 155,000 New York homeowners have delinquent mortgage loans*

**Washington, D.C.** - Congresswoman Louise M. Slaughter (D-NY-28), Chairwoman of the House Committee on Rules, today applauded passage of H.R. 1106, the Helping Families Save Their Homes Act. This legislation will help address the housing crisis, a critical step to strengthen our economy.

**“Right now, it is easier for loan services to foreclose on a property than modify a mortgage, causing countless Americans to lose their homes. Quite simply, this is unacceptable. It's time to put American families ahead of big banks,”** said Rep. Slaughter.

**“The Helping Families Save their Homes bill will compel banks to negotiate fair loan modifications before a homeowner faces foreclosure and enable families to keep their homes.”**

The Helping Families Save Their Homes Act allows bankruptcy judges to modify existing mortgages for families who file for Chapter 13 bankruptcy as an incentive to spur lenders into voluntarily modifying loans. It gives lenders the confidence to modify loans by protecting them from some lawsuits and spurs mortgage refinancing by fixing the Federal Housing Administration's Hope for Homeowners Program, reducing fees and offering new incentives for lenders. This is an important step in helping America recover.

**"The declining housing market is at the center of our economic crisis,"** said Rep. Slaughter.

**"Everyone stands to lose if we do not stop the steep decline in home prices. I will continue to work with Congress and President Obama to prevent millions of American families from losing their homes while helping to stabilize the value of their neighbors' homes."**

## **BACKGROUND**

The Helping Families Save Their Homes Act is critical to the overall recovery of our economy. By the end of last year, 5.4 million homeowners were either behind on payments or in foreclosure and more than 14 million homeowners owe more on their mortgage than their home is worth and cannot refinance. Many are facing foreclosure through no fault of their own. Each foreclosed home reduces nearby property values by as much as 9 percent. Chapter 13

bankruptcy filing is a last resort for many families who are unable to make ends meet in the midst of this recession. It is a strict and intrusive process that forces families to open their finances up to the scrutiny and management of the courts for up to five years.

This critical legislation puts in place a key piece of President Obama's comprehensive Homeowner Affordability and Stability Plan. One part of the President's plan, the "Making Home Affordable" program will offer assistance to as many as 9 million homeowners, making their mortgages more affordable and helping to prevent the destructive impact of foreclosures on families, communities and the national economy. President Obama's plan would also introduce finances into lower interest rate loans for 4 to 5 millions families with mortgages that were issued or guaranteed by Fannie Mae and Freddie Mac who are "underwater," owing more on their houses than their current appraised value.

For more information on the Helping Families Save Their Homes Act, please see: <http://www.speaker.gov/newsroom/legislation?id=0281>

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For more information on President Obama's plan, visit: <http://www.financialstability.gov> .

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